

WASHINGTON, DC – An investigation conducted by Rep. Darrell Issa, the Ranking Member of the Oversight and Government Reform Committee is revealing new insights into the inner workings of Countrywide's Financial Corporation's infamous VIP and Friends of Angelo Program that existed to buy friends in critical government and industry positions affecting the company's business interests. Issa today in a letter to Federal Housing Finance Agency (FHFA) General Counsel Alfred M. Pollard raised concern that 173 Countrywide VIP loans given to 42 Fannie Mae and Freddie Mac employees, including three former Fannie Mae CEOs, violated ethics rules and created a conflict of interest.

"As our nation marched down the path leading to a crippling financial crisis, Fannie Mae should have been trying to cool off risky sub-prime lending and protect the economy from a volatile housing bubble," said Rep. Issa. "The sweetheart deals to officials at Fannie Mae and Freddie Mac, however raise serious doubt that they could have said no to the risky business practices of Countrywide."

The letter notes that spikes in Countrywide's VIP lending to Fannie Mae officials occurred in 1998 as Countrywide was negotiating a volume discount with Fannie Mae and in 2001-2003, on the leading edge of a mortgage boom. In 1999, Countrywide reached an exclusive agreement to sell Fannie Mae billions of dollars in mortgages at a discounted rate. The deal was designed by Fannie Mae to lock competitor Freddie Mac out of the market for Countrywide's loans.

[Click here for Rep. Issa's letter to the FHFA](#)

[Click here for Rep. Issa's March 2009 report on the Countrywide VIP program](#)

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